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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 14, 1999

APPLICATION OF

NETWORK ACCESS SOLUTIONS, LLC

CASE NO. PUC980122

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 6, 1998, Network Access Solutions, LLC ("Network" or "the Company") completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company further requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia. Also, Network requested waiver of § 2.E.1 of the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018 ("Local Exchange Rules") requiring audited financial statements to be filed with the application.

By Order dated November 20, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive

evidence relevant to Network's application. On December 17, 1998, the Staff filed its report finding that Network's application was in compliance with the Commission's Local Exchange Rules and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035.

While Network initially requested a waiver of Local Rule § 2.E.1, audited financial statements for its parent were filed with the Staff on December 15, 1998. Therefore, the Staff determined it would be appropriate to grant to the Company an interexchange certificate and a local exchange certificate, subject only to the condition that any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account for such time as the Staff or Commission determines is necessary.

A hearing was conducted on January 7, 1999. Network filed proof of publication and proof of service as required by the scheduling order dated November 20, 1998. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection. The Company agreed to the recommendation of the Staff.

Having considered the application and the Staff's report, the Commission finds that Network should be granted certificates

to provide local exchange and interexchange telecommunications services. As noted, the Company has filed its audited financial statements in compliance with § 2.E.1 of the Local Exchange Rules and we need not address the waiver requested earlier.

With regard to Staff's recommendation on holding customer deposits in escrow, we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account. Nevertheless, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts. Having considered § 56-481.1, the Commission further finds that Network may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

- (1) Network Access Solutions, LLC hereby is granted a certificate of public convenience and necessity, No. T-429, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, the recommendations of Staff as found above, and the provisions of this Order.
- (2) Network Access Solutions, LLC is hereby granted a certificate of public convenience and necessity, No. T-59A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of

Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

- (3) Network shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.
- (4) Network shall provide to the Division of Economics and Finance audited financial statements no later than one year from the effective date of its initial tariff.
- (5) Pursuant to § 56-481.1 of the Code of Virginia,
 Network may price its interexchange services competitively.
- (6) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.